



# ENERGY ASSURANCE DAILY

Tuesday, December 19, 2006

## ***Major Developments***

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**Update: 186,627 Customers Remain Without Power in Pacific Northwest December 19**

**[See Pacific Northwest Storms Situation Report](http://www.oe.netl.doe.gov/hurricanes_emer/pnw_storm.aspx)**

([http://www.oe.netl.doe.gov/hurricanes\\_emer/pnw\\_storm.aspx](http://www.oe.netl.doe.gov/hurricanes_emer/pnw_storm.aspx))

## ***Electricity***

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### **Possible Attempted Copper Theft Caused Power Outage in Palm Springs, California, December 18**

About 700 California Edison customers lost electricity for about six hours after a utility crew discovered evidence of forced entry into an area containing an Edison transformer. A main electrical cable appeared to have been cut in an attempt to steal the copper wire in the cable. Police found bolt cutters and a flashlight at the scene.

<http://www.thedesertsun.com/apps/pbcs.dll/article?AID=/20061219/NEWS0801/612190324>

### **California-Oregon and Pacific DC Interties Unexpectedly Curtailed Over Weekend**

The Bonneville Power Administration (BPA) said reductions on the California-Oregon Intertie and Pacific DC Intertie would hold at 1,100 MW and 1,000 MW on Monday and Tuesday. The two interties connect electricity markets along the U.S. West Coast from Washington State to Southern California.

Reuters, 14:39 December 18, 2006

### **Dominion's 799 MW Surry Nuke Unit 1 in Virginia Reduced December 19**

The company reduced the unit to 73 percent of capacity after a control rod dropped into the reactor because of a failure of a fuse.

Reuters, 10:18 December 19, 2006

### **Constellation's 873 MW Calvert Cliffs Nuke Unit 1 in Maryland Shut December 19**

Reuters, 08:32 December 19, 2006

### **Edison's 614 MW Homer City Coal-fired Unit 2 in Pennsylvania Shut December 18**

Reuters, 08:24 December 19, 2006

### **Reliant's 215 MW Mandalay Gas-fired Unit 1 in California Shut December 18**

Reuters, 08:24 December 19, 2006

### **OPG's 494 MW Lambton Coal-fired Unit 3 in Ontario Shut December 19**

The unit shut for short-term work.

Reuters, 08:08 December 19, 2006

### **OPG's 490 MW Nanticoke Coal-fired Unit 2 in Ontario Back Up December 19**

Reuters, 08:10 December 19, 2006

## Massachusetts Court Approves Construction of Transmission Lines for Cape Wind Project

The Supreme Judicial Court of Massachusetts approved on December 18 the construction of a pair of 18-mile-long 115-kilovolt transmission lines to transmit electricity generated by the 130 proposed wind turbines in federal waters in Nantucket Sound shore. The lines would run under the sea floor and pass beneath state waters before reaching shore. If the project receives needed federal approval, Cape Wind would become the nation's first offshore wind farm

<http://www.southcoasttoday.com/daily/12-06/12-19-06/01state-region.htm>

## Petroleum

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### Update: Fog Continues To Halt Shipping at Critical Gulf Coast Ports December 19

Since Thursday of last week, operations at several critical Gulf Coast ports have been affected by thick fog, delaying inbound and outbound petroleum deliveries. The U.S. Department of Energy has been monitoring the situation in the event that a release from the Strategic Petroleum Reserve is needed. The media has reported on operations at the following Gulf Coast ports:

- **Houston, Texas:** Reuters reported Tuesday morning that dense fog had again closed the Houston Ship Channel after the channel reopened overnight. Vessel traffic along the critical waterway has been intermittent for 6 consecutive days. According to the U.S. Coast Guard, about 60 vessels are currently waiting to enter the channel. Houston is the biggest petroleum port in the United States and the Houston Ship Channel allows tankers to access five refineries with a combined processing capacity of 1.34 million b/d. On Monday, Gulf Coast sources told OPIS that some Houston refiners had trimmed runs in the face of delays in the delivery of crude oil. According to a Shell Oil spokesman, the delayed shipments were causing “minimal impact” at the company’s 333,700 b/d joint venture refinery in Deer Park, Texas. A Valero spokesman said that the delays were not affecting production at its 83,000 b/d refinery in Houston and the company expects operations to “remain fine” so long as there are temporary breaks in the fog, which there have been thus far. No other Houston refiners have reported on operations.
- **Texas City, Texas:** According to the Coast Guard, the Texas City Ship Channel, which is nearby to the Houston Ship Channel, was shut down at 7:05 a.m. Tuesday because of fog and one inbound ship and 11 outbound vessels remain stopped. There are three refineries in Texas City with a combined processing capacity of about 700,000 b/d.
- **Port Arthur, Texas:** On Tuesday, a spokesman for the Sabine River Pilots Association, which operates the Sabine Channel into Port Arthur, Texas, said that the channel had reopened and that a backlog of 16 vessels waiting to enter the port was being reduced. The Sabine Channel allows tankers to access four refineries with a combined processing capacity of 1.12 million b/d.
- **Lake Charles, Louisiana:** On Monday, the U.S. Coast Guard said that the Calcasieu Ship Channel into Lake Charles had been opened since midmorning on Sunday and pilots were clearing the backlog of ships waiting to enter the port. The Calcasieu pilots association said it expected the waterway to shut again overnight but expected normal operations by Tuesday. The Calcasieu Ship Channel allows tankers to access three refineries with a combined processing capacity of about 600,000 b/d.

OPIS, 11:38 December 19, 2006

Reuters, 10:34 December 19, 2006

Bloomberg News, 10:03 December 19, 2006

Reuters, 09:11 December 19, 2006

Reuters, 15:20 December 18, 2006

### Suncor Shuts Diesel Hydrotreater at Commerce City, Colorado Refinery December 15

The company said that it had shut the diesel hydrotreating unit at its refinery in Commerce City, Colorado due to a failure in the unit’s furnace on December 15. The company said that production of ultra-low-sulfur diesel has been reduced to 5,000 b/d from normal rates of 20,000 b/d.

Reuters, 13:23 December 19, 2006

Bloomberg News, 13:49 December 19, 2006

### Chevron Completes FCC Expansion at 330,000 b/d Pascagoula, Mississippi Refinery

The company announced that it has completed an expansion to its fluidic catalytic cracker by 16,000 b/d to 84,000 b/d. The expansion should increase the refinery’s gasoline production by 10 percent to 5.5 million gallons per day (about 130,000 b/d).

Reuters, 16:42 December 18, 2006

OPIS, 06:33 December 19, 2006

### **Petrobras Starts Up Offshore Rig at Jubarte Field in Brazil**

Brazil's state-run oil company, Petrobras, said that it has started up its P-34 offshore oil rig in the Jubarte field. The rig will initially produce about 15,000 b/d with production eventually rising to 135,000 b/d.  
Reuters, 18:34 December 18, 2006

### **TEPPCO to Construct and Operate New Refined Products Storage Facility in Texas**

TEPPCO will construct a 5.4 million barrel refined products storage facility for gasoline and distillates. The project also includes the construction of 20 storage tanks, five 3.5-mile product pipelines connecting the storage facility to Motiva's refinery, 15,000 horsepower of pumping capacity, and distribution pipeline connections to the Colonial, Explorer and Magtex pipelines. The storage and pipeline project is expected to be completed in mid-2009.  
<http://biz.yahoo.com/bw/061219/20061219005218.html?v=1>

## **Natural Gas**

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Nothing to report.

## **Other News**

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### **Federal Officials Urged to Update 26-year-old Radiological Emergency Response Plans in Alabama**

The director of Limestone County's Emergency Management Agency (EMA) in Alabama on December 18 urged federal officials to update 26-year-old radiological emergency response plans by requiring evacuation shelters to have alternate power sources. An EMA official expressed concern that none of the reception centers have backup power, and he also suggested state, federal, and TVA funding for backup power sources for outdoor sirens or an indoor system that would call residents to signal an emergency.  
<http://www.montgomeryadvertiser.com/apps/pbcs.dll/article?AID=2006612190337>

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b> December 19, 2006			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	63.06	61.08	57.31
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	6.27	6.93	13.73

Source: Reuters

## **Energy Notes**

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### **U.S. Must Tighten Port Security to Prevent Terrorist Attack – Panel**

Reuters, 17:50 December 18, 2006

## Links

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***This Week in Petroleum*** from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

### ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)